May 7, 2007

Mr. Richard Corey Chief Research and Economic Studies Branch Air Resources Board Sacramento, California

Dear Mr. Corey:

The International Climate Change Partnership (ICCP) is pleased to provide you with these comments concerning the draft report of discrete early action items for limitation of greenhouse gas emissions as required by AB 32. ICCP has been very active in the work leading to passage of AB 32 in California, and has been constructively engaged in the climate policy debate worldwide since 1991.

We believe that the three "discrete" early action items are appropriate. They are not confined to a single greenhouse gas and are capable of accomplishing the objective of the legislature in crafting this particular section of AB 32 in order to show progress on emissions reductions while developing the broader program. We look forward to working with you in the development of appropriate steps for initiation of these discrete early actions.

Several suggestions were made during the workshop on April 23 regarding the possibility of adding to this list several of the proposed strategies in the draft report under Group 2. ICCP does not support expansion of the list at this time and instead would prefer to see more thoughtful consideration of the Group 2 items as potential future strategies. Also, a more thorough consideration of the market-based mechanisms to be employed in wide-scale implementation of the reductions mandated by the legislation should be completed.

We would note that there are data deficiencies associated with several of the Group 2 items. These data deficiencies, particularly emissions and emission reduction capabilities, need to be better quantified. For example, we believe current CARB use and reduction estimates for some of the high GWP gases may be significantly overstated.

Mr. Richard Corey Air Resources Board Page 2

Additionally, as we have previously stated, ICCP would prefer that CARB take maximum advantage of the economies associated with market mechanisms for greenhouse gas emissions reductions before development of a laundry list of command and control strategies. We believe these strategies can be appropriately identified to fill gaps that the market mechanisms may not address.

ICCP appreciates this opportunity to comment and looks forward to working with you in the coming months on these issues.

Sincerely,

Kevin Fay Executive Director